CHAPTER VII

Summary of Findings and Conclusions
A country may possess abundant and in exhaustible natural and physical resources and the necessary machinery and capital equipment. But, them, unless there are men and women who can mobilize, organize and harness nature's bountiful resources for the production of goods and services, the country cannot make rapid strides of economic and social advancement. Thus, one of the major tasks confronting the developing countries is the building up of human capital. There is growing realization that a rapid rate of human capital formation is as essential pre-requisite of economic growth as the rapid rate of physical capital formation is. The planners and policy-makers; and economists and educationists are, therefore, anxious to assess, objectively and quantitatively, the contribution of human resources to economic growth and development. Human capital can be broadly defined as the sum total of the knowledge, skills and aptitudes of the people, inhabiting the country. In a broader sense, it includes the initiative resourcefulness, capacity for sustained work, right values, interest and attitudes and other human qualities conducive to higher output and accelerated economic growth. It is a common knowledge that in today's competitive world, no organization can survive unless its major focus is on the continuous development of its employees are creative, committed and competent employees capable of rendering efficient an effective services. Any organization, which is engaged in directly rendering services as in the rural sector, medicare or education, is in need of professionally trained as competent human resources (employees) with a mind of efficiency and heart of empathy-employees, who can help cut down costs, put an end to red-tapism, improve quality, ensure prompt service and win the hearts of customers.

It is a common knowledge that without a continuous development of employees as human resources, no organization can survive to-day, let alone be competent. To be effective, every organization needs competent people in all areas be it in cost reduction or improvement of quality. Services of prompt competent employees are even more essential for service organization such as
banking, rural development, health, education etc., where one has to deal constantly with people.

In order to achieve the above-stated objectives, various methods of human resources development are broadly categorised as;

i. Those used for developing managers and their dyads, teams etc., and
ii. Those used for developing workers and their dyads etc.,

First category includes: Communication polices; Role analysis; Performance appraisal; Training; Potential appraisal; Career planning; and Rewards;
The Second category includes: Human relations approach, Communication policies; Training; Job enrichment; Welfare, counseling and better quality of work life; Grievance mechanism; Industrial relations; and Participation.

The Imperial Bank, till the establishment of the Reserve Bank of India in 1935, functioned as an interim Central Bank of the country. It combined the functions of both a commercial bank and central bank. The central banking function of the Bank gave the bank a greater advantage in the money-market and hence an increased trend in the accumulation of deposits and deployment of credit, even though the total deposits and advances declined to Rs.78.72 crores and Rs.22.96 crores respectively in 1936 from Rs.82.96 crores and Rs.50.46 crores in 1921. But later, it increased to Rs.219.17 crores and Rs.133.37 crores respectively in 1954. But, many complaints were revealed against Imperial Bank of India by the Bombay Provincial Banking Enquiry Committee such as neglect of local investment, concentration of resources at the local head office, failure to provide industrial finance, exploitation of seasonal variation in the rates of interest to its advantage, preferential treatment to European customers and the like. Therefore, the All India Rural Credit Survey Committee in its report published in 1954, recommended inter-alia, amalgamation of Imperial Bank of India and ten other banks into a newly established bank called the 'State Bank of India'. The Government of India accepted the recommendation of the Committee and introduced the State Bank
of India Bill in Lok Sabha on 16th April, 1955 and its was passed by the Parliament and got the President's assent on 8th May, 1955. The Act came into force on 1st July, 1955 and the Imperial Bank was transferred into State Bank of India. However, after some time, the State Bank submitted a proposal to the State-associated banks for making them as subsidiary banks. Most of the banks agreed to it and, therefore, the State Bank of India (Subsidiary banks) Act, 1959 was passed and it received the assent of the President on 10th September, 1959. Accordingly, State-associated banks were taken over by the State Bank of India as its subsidiaries whose percentage in commercial banks accounted for 10.0 per cent and 7.3 per cent respectively in 1960. During 1960's the performance of State Bank and its subsidiaries in total scheduled commercial bank accounted for 30.8 per cent, 27.0 per cent and 29.4 per cent respectively.

Later, the Government announced the policy of 'social control of banks' in Parliament in December, 1964 and the Banking Legislation Act amending the Banking Regulation Act came into force on 1st February, 1969 to keep an open mind and undertook to examine all aspects pertaining to the banks. The basic objectives of 'social control policy' was to ensure, in the immediate future, an equitable and purposeful distribution of credit, within the available resources, keeping in view the relative priorities of development needs. Realizing the urgent need for nationalisation, later, on 19th July, 1969, the then Prime Minister late Indira Gandhi announced the nationalisation of fourteen major commercial banks. The main objectives of nationalisation are:

i. removal of control by a few;

ii. provision of adequate credit to the agricultural sector and small-scale industry and for exports promotion;

iii. giving of a Profession bent to management;

iv. encouragement of new classes of entrepreneurs; and

v. The provision of adequate training to the bank staff.
At the end of 1969 the fourteen nationalised banks had 83.3 per cent of branches, 93.0 per cent of deposits and 93.7 per cent of advances respectively. Again, on 15th April, 1980, the Government announced the nationalisation of six more banks. At the end of 1980, in all, there were 28 public sector banks and the percentage share of branches, deposits and advances in total accounted for 67.4 per cent, 94.2 per cent and 94.4 per cent respectively (excluding regional rural banks). The commercial banks, particularly the public sector banks, are playing a crucial role in mobilizing the resources in the form of deposits and lending them as advances to the needy consumers and investors by the expansion of bank branches. After nationalisation of major commercial banks, the public sector banks have planned their branch expansion programmes in such a manner to provide a well-sponsored infrastructures of commercial bank credit by effectively mobilizing resources (deposits) in the economy with a view to providing more banking facilities to all the people in country. At the end of 2005, the percentage share of public sector banks in total accounted for 88.4 per cent; whereas, it was 11.6 per cent in the case of private sector banks. Within the public sector banks, the percentage share of State Bank of India and its subsidiaries account for 25.5 per cent; whereas, it was 62.91 per cent in the case of nationalised banks in total. The average percentage growth of all commercial banks accounted for 2.4 per cent; whereas, it was 2.5 per cent and 1.8 per cent in the case of public and private sector banks; 2.2 per cent and 2.7 per cent in the case of State Bank of India and its subsidiaries and nationalised banks.

Various scheme of deposits mobilization such as been started by these banks so as to meet the requirements of the public. At the end of 2005, the percentage share of public and private sector banks accounted for 79.9 per cent and 20.1 per cent in total commercial banks deposits. Within the public sector banks, the percentage share of State Bank of India and its subsidiaries and nationalised banks account for 26.6 per cent and 53.3 per cent in total. The average percentage growth of deposits of all commercial banks accounted for
16.7 per cent; whereas it was 16.0 per cent and 21.0 per cent in the case of public and private sector banks; within the public sector banks, the average percentage growth of State Bank of India and its subsidiaries and nationalised banks accounted for 17.1 per cent and 15.6 per cent respectively.

With the increasing role of commercial banks in capital formation, employment generation and production facilitation, the credit operations of commercial banks, particularly nationalised banks, are expected to meet the requirements of economic system. The percentage share of public sector banks in total commercial banks credit accounted for 78.6 per cent in 2005; whereas, the private sector banks credit deployment declined to 0.9 per cent in 1983 from 1.2 per cent in 1981 but increased to 21.4 per cent in 2005. Within the public sector banks, the percentage share of State Bank of India and its subsidiaries showed fluctuations. Credit deployment by them declined to 25.7 per cent in 2005 from 34.9 per cent in 1981; whereas, it was increased to 68.4 per cent in 1989 from 39.9 per cent in 1981 but declined to 52.9 per cent in 2005 in the case of nationalised banks. The average percentage growth rate of credit of all commercial banks in India accounted for 18.3 per cent; and 17.2 per cent and 40.8 per cent in the case of public and private sector banks. Within the public sector banks, the average percentage growth of State Bank of India and its subsidiaries accounted for 16.9 and nationalised banks accounted for 17.4 per cent.

Expansion of banking industry in terms of branch expansion and core activities has its impact on increasing demand for man-power. Among the various categories of employees, the percentage share of officers increased to 34.8 per cent in 2005 from 24.3 per cent in 1981; the percentage share of clerks has declined to 44.1 per cent in 2005 from 54.3 per cent in 1981 and in the case of sub-ordinate staff, it was declined to 21.1 per cent from 22.4 per cent in 1981. The average percentage growth rate of all commercial banks in India accounted for 1.6 per cent during the period 1981-2005. Among the various categories of employees, the average percentage growth rate of officers
accounted for 3.1 per cent; whereas, it was 0.8 per cent and 1.6 per cent regarding clerks and sub-ordinates.

To examine the trend of the growth of branches, deposits, credit and staff of all commercial banks and to find out the correlation between the growth of bank branches to deposits, deposits to credit, bank branches to credit and bank branches to staff, the analysis was further extended. A closer examination reveals that a fairly close association existed among the variables i.e., indices of bank branches and deposits; deposits and credit; bank branches and credit; and bank branches and staff. An increase of 1.8 times of bank branches in India, had led to an increase by 38.9 times, 51.9 times and 1.5 times of deposits, credit and staff respectively. Which is why the linear growth rate curve of the total bank branches lies below to that of linear growth rate curves of total deposits and credit; and the linear growth rate curve of deposits lies below to that of linear growth rate curve of credit.

In the case of public sector banks, an increase in bank branches by 1.8 times had led to an increase of 34.3 times and 41.3 times of deposits and credit; whereas, an increase of bank branches by 1.5 times had led to an increase of 84.4 times and 934.5 times of deposits and credit in the case of private sector banks. Which is why the linear growth rate curve of deposits and credit of both public and private sector banks lies above to that of linear growth rate curve of bank branches. Within the public sector banks, the state bank of India and its subsidiaries, an increase in bank branches by 1.7 times had led to an increase of 42.4 times and 38.3 times of deposits and credit respectively; whereas, an increase in bank branches by 1.9 times had led to an increase of 31.3 times of deposits and 42.9 times of credit in the case of nationalised banks. Which is why the linear growth rate curve of deposits lies above to an curves of credit and branches in the case of State Bank of India and its subsidiaries and the linear growth rate curve of credit lies above to that of linear growth rate curves of branches and deposits in the case of nationalised banks.
The co-efficient of correlation has been calculated using these indices of bank branches, deposits, credit and staff to know how far an increase of bank branches had led to the increase of deposit mobilization, deployment of credit and increase in human resources in all the commercial banks in India. The calculated co-efficient of correlation and ‘t’ values indicates that the co-efficient of correlation between indices of bank branches and deposits is 0.8 for all commercial banks and for the public sector banks; 0.7 for the nationalised banks and State Bank of India and its subsidiaries separately; whereas, it was 0.9 in the case of private sector banks. Hence, the co-efficient of correlation is significant as the calculated ‘t’ values are higher, which accounted for 6.393, 4.700 and 9.900 than the tabular ‘t’ value both at 0.05 (2.06) per cent and 0.01 (2.80) per cent levels. The coefficient of correlation between the indices of deposits and credit is 0.9 for the entire economy and for all types of banks and is significant both at 0.05 (2.06) per cent and 0.01 (2.80) per cent, as the calculated ‘t’ value accounted for 9.900. The co-efficient of correlation between indices of bank branches and credit is 0.7 for all banks (except private sector banks which accounted for 0.9) and is significant both at 0.05 (2.06) per cent and 0.01 (2.80) per cent levels as calculated ‘t’ value is higher which accounted for 4.700. And the co-efficient of correlation between the indices of bank branches and staff is 0.8 for the entire economy and it is significant both at 0.05 (2.06) per cent and 0.01(2.80) per cent levels as the calculated ‘t’ value accounted for 6.393.

The total number of commercial bank branches in the State of Andhra Pradesh has increased. At the end of 2005, the percentage share of public and private sector banks accounted for 72.6 per cent and 27.4 per cent. Within the public sector banks, the percentage share of State Bank of India and its subsidiaries and nationalised banks accounted for 27.4 per cent, 45.3 per cent in total. The average percentage growth of all commercial banks in Andhra Pradesh is 3.5 per cent; whereas, it was 3.2 per cent and 4.6 per cent in the case of public and private sector banks. Within the public sector banks, the average
percentage growth of State Bank of India and its subsidiaries 3.8 per cent; whereas, it was 2.9 per cent in the case of nationalised banks.

At the end of 2005, the percentage share of public and private sector banks accounted for 85.1 per cent and 14.9 per cent in total commercial bank deposits. Within the public sector banks, the percentage share of State Bank of India and its subsidiaries and nationalised banks accounted for 37.2 per cent and 48.0 per cent in total. The average percentage growth of deposits of all commercial banks was 21.1 per cent; whereas, it was 20.0 per cent and 23.5 per cent in the case of public and private sector banks respectively. Within the public sector banks, the average percentage growth of State Bank of India and its subsidiaries and nationalised banks 24.1 per cent and 19.5 per cent. At the end of 2005, the percentage share of public and private sector banks accounted for 87.0 per cent and 13.0 per cent in total commercial banks credit. Within the public sector banks, the percentage share of State Bank of India and its subsidiaries and nationalised banks accounted for 35.5 per cent and 51.5 per cent in total credit. The average percentage growth of credit of all commercial banks was 21.0 per cent; whereas, it was 21.0 per cent and 21.6 per cent in the case of public and private sector banks. Within the public sector banks, the average growth of State Bank of India and its subsidiaries and nationalised banks 21.7 per cent and 20.7 per cent. At the end of 2005 among the various categories of employees the percentage share of officers 38.3 per cent; whereas, it was 40.1 per cent and 21.6 per cent in the case of clerks and subordinates. The average percentage growth of employees of all commercial banks in Andhra Pradesh is 2.1 per cent during the period 1981-2005. Among the various categories of bank employees, the average percentage growth rate of officers is 3.8 per cent; whereas, it was 1.0 per cent and 2.2 per cent in the case of clerks and subordinates.

To examine the trend of the growth of branches, deposits, credit and employees of all commercial banks in the state and to find out the correlation between the growth of bank branches to deposits, deposits to credit, bank
branches to credit and bank branches to staff, the analysis is further extended. A closer look into the data indicates a fairly close association among the variables i.e., indices of bank branches and deposits, deposits and credit, bank branches and credit, and bank branches and employees. An increase of bank branches in Andhra Pradesh by 2.2 times had led to increase of 92.9 times, 93.3 times and 1.6 times of deposits, credit and staff respectively. Which is why the linear growth rate curves of the total bank branches lies below to that of linear growth rate curves of deposits and credit. At the same time, the linear growth rate curve of deposits lies below to the linear growth rate curve of credit; whereas, the linear growth rate curve of the total bank branches lies above to the linear growth rate curve of total staff. Besides, an increase in total staff by 1.6 times had led to an increase in the number of officers by 2.4 times, clerks by 1.2 times and subordinates by 1.6 times. In the case of public sector banks, an increase of bank branches by 2.1 times had led to an increase of 87.9 times and 93.1 times of deposits and credit; whereas, an increase bank branches by 2.7 times had led to an increase of 136.9 times and 94.9 times of deposits and credit in the case of private sector banks. Which is why the linear rate curves of deposits and credit of both public and private sector banks lies above to that of linear growth rate curve of bank branches. Within the public sector banks, the State Bank of India and its subsidiaries, an increase of bank branches by 2.4 times had led to the increase of 135.6 times and 101.9 times of deposits and credit; whereas, an increase in bank branches by 2.0 times had led to an increase by 69.0 times and 87.8 times of deposits and credit in the case of nationalised banks. Which is why the linear growth rate curve of deposits lies above to that of linear growth rate curves of credit and branches in the case of State Bank of India and its subsidiaries and lies above to branches and deposits in the case of nationalised banks.

The co-efficient of correlation had been calculated using the indices of bank branches, deposits, credit and staff to know for an increase of bank branches had led to an increase of deposit mobilization, deployment of credit
and increase in human resources in all commercial banks in the State of Andhra Pradesh. The calculated co-efficient of correlation and 't' values indicate that the co-efficient of correlation between the indices of bank branches and deposits is 0.8 for the entire Andhra Pradesh and for nationalised banks; 0.9 for total public sector banks and for State Bank of India and its subsidiaries; and 0.5 for private sector banks. Hence, the co-efficient of correlation is significant both at 0.05 (2.06) per cent and 0.01 (2.80) per cent levels as calculated 't' values are high which accounted for 6.393, 9.900 and 2.768. The co-efficient of correlation between deposits and credit for the entire State, both for public and private sector banks, and State Bank of India and its subsidiaries and nationalised banks separately is 0.9. Hence is significant both at 0.05 (2.06) per cent and 0.01 (2.80) per cent levels as calculated 't' value is high which accounted for 9.900. The co-efficient of correlation between the indices of branches and credit for entire state, for public sector banks and for nationalised banks is 0.8; whereas, it was 0.4 for private sector banks. In the case of State Bank of India and its subsidiaries it was 0.9. Hence is significant both at 0.05 (2.06) per cent and 0.01 (2.80) per cent levels as calculated 't' value accounted for 6.393, 2.092 and 9.900. Besides, the co-efficient of correlation between the indices of branches and staff is 0.7 for entire State and it is significant both at 0.05 (2.06) per cent and 0.01 (2.80) per cent levels as the calculated 't' value accounted for 4.700.

The total number of commercial bank branches in the study area of Chittoor District had also increased significantly. At the end of 2008, the percentage share of public and private sector banks accounted for 86.4 per cent and 13.6 per cent respectively. Within the public sector banks, the percentage share of State Bank of India and its subsidiaries accounted for 25.1 per cent; whereas, it was 61.3 per cent in the case of nationalised banks in total. The average percentage growth of all commercial banks in the study district is 1.9 per cent; whereas, it was 2.1 per cent and 0.9 per cent in the case of public and private sector banks. Within the public sector banks, the average
percentage growth of State Bank of India and its subsidiaries was 1.4 per cent; whereas, it was 2.4 per cent in the case of nationalised banks. At end of 2008, the percentage share of deposits of public and private sector banks accounted for 92.3 per cent and 7.7 per cent in total commercial bank deposits. Within the public sector banks, the percentage share of State Bank of India and its subsidiaries accounted for 29.9 per cent; whereas, its was 92.3 per cent in the case of nationalised banks in total. The average percentage growth of all commercial banks in the study district is 17.2 per cent; whereas, it was 17.4 per cent and 16.3 per cent in the case of public and private sector banks. Within the public sector banks, the average percentage growth of state Bank of India and its subsidiaries is 16.9 per cent; whereas, it was 17.8 per cent in the case of nationalised banks.

At the end of 2008, the percentage share of public and private sector banks accounted for 90.3 per cent and 9.7 per cent in total credit. Within the public sector banks, the percentage share of State Bank of India and its subsidiaries accounted for 35.6 per cent; whereas, it was 54.7 per cent in the case of nationalised banks in total credit. The average percentage growth of all commercial banks in the district was 16.0 per cent; whereas, it was 15.7 per cent and 22.6 per cent in the case of public and private sector banks respectively. Within the public sector banks, the average percentage growth of State Bank of India and its subsidiaries is 17.5 per cent; whereas, it was 15.1 per cent in the case of nationalised banks.

At the end of 2008 among the various categories of employees, the percentage share of officers accounted for 38.6 per cent; whereas, it was 45.9 per cent and 15.5 per cent in the case of clerks and subordinates. The average percentage growth of all public sector bank employees in Chittoor District accounted for 1.5 per cent. Among the various categories of bank employees, the average percentage growth rate of officers, clerks and subordinates is 1.4 per cent, 1.5 per cent and 1.8 per cent.
To examine the trend of the growth of branches, deposits, credit and employees of public sector banks and to find out the correlation between the growth of bank branches and deposits, deposits and credit, bank branches and credit, and bank branches and staff, the analysis is further extended. A closer look into the data reveals that a fairly close association exists among the variables i.e., indices of bank branches and deposits; deposits and credit; bank branches and credit and bank branches and staff. An increase of 14.0 times of bank branches, in the study district had led to an increase of 16.8 times, only 13.8 times of deposits and credit, an increase in the total staff by 1.3 times. Which is why the linear growth rate curve of the total bank branches lies below to that of linear growth rate curve of deposits and lies above to the linear growth rate curve of credit; whereas, the linear growth rate curve of deposits lies above to the linear growth rate curve of credit.

In the case of public sector banks, an increase by 14.4 times of bank branches had led to the increase of 17.1 times and 13.1 times of deposits and credit respectively; whereas, an increase of branches by 11.7 times had led to the increase of 13.8 times and 30.3 times of deposits and credit in the case of private sector banks. Which is why the linear growth rate curve of deposits lies above to the linear growth rate curves of branches and credit; whereas, the linear growth rate curve of credit of private sector banks lies above to that of linear growth rate curve of branches and deposits. Within the public sector banks, the State Bank of India and its subsidiaries, an increase of bank branches by 12.8 times had led to an increase of 15.8 times and 16.8 times of deposits and credit respectively; whereas, 15.2 times of increase in bank branches had led to 17.8 times and 13.1 times of deposit and credit in the case of nationalised banks. Which is why the linear growth rate curve of credit lies above to that of deposits and branches in the case of State Bank of India and its subsidiaries; whereas, the linear growth rate curve of deposits of nationalised banks lies above to that of linear growth rate curves of branches.
and credit. And the linear growth rate curve of the total public sector bank branches lies above to that of linear growth rate curve of total staff.

The co-efficient of correlation between the indices of bank branches and deposits, deposits and credit, branches and credit, and branches and staff had been calculated to know how for an increase of bank branches had led to an increase of deposit mobilization, deployment of credit and increase in human resources of public sector banks in the study area of Chittoor District. The co-efficient of correlation between the indices of bank branches and deposits is 0.8 for the entire district; 0.9 for total public and private sector banks, and for State Bank of India and its subsidiaries and 0.8 for the nationalised banks. Hence it is significant both at 0.05 (2.10) per cent and 0.01 (2.88) per cent levels, as calculated 't' value is higher which accounted for 5.497 and 8.512. The co-efficient of correlation between the indices of branches and credit is 0.8 for entire study district and for public sector banks, 0.9 for State Bank of India and its subsidiaries, and 0.7 for nationalised banks and private sector banks. Hence it is significant both at 0.05 (2.10) per cent and 0.01 (2.88) per cent levels as calculated 't' value is higher which accounted for 5.497, 8.512 and 4.041. The co-efficient of correlation between the indices of deposits and credit is 0.9 for entire study district, for public sector banks and within public sector banks, State Bank of India and its subsidiaries and nationalised banks; whereas, it was 0.8 in the case of private sector banks. Hence it is significant both at 0.05 (2.10) per cent and 0.01 (2.88) per cent levels as calculated 't' value is higher which accounted for 8.512 and 5.497. Besides, the co-efficient correlation between the indices of public sector bank branches and staff is 0.9 and is significant both at 0.05 (2.10) per cent and 0.01 (2.88) per cent levels as the calculated 't' value is higher which accounted for 8.512.

Hence, the null hypothesis that 'the growth of public sector banks is not significant' stands rejected.
The welfare-oriented approach adopted by the banking industry at the beginning of 19th century was a unique feature. The bank's professionalism in managing the functions of its personnel was more than its conceptual belief. The bank honesty believed that unless the executives, dealing with the personnel function, have professional orientation and concern, the bank would not function properly. The bank's pro-active insistence in creating a climate of equality based on mutual respect and concern was not confined only to managerial cadre but equally to employees and unions. Public sector banks recognize its employees as the most valuable corporate asset in the District. The banks have been developing the competencies and skills of their employees, especially in core and thrust areas like credit, foreign exchange, information technology etc. through in-house and external training. Apart from this, banks are undergoing business process re-engineering. The main aims and objectives of Human Resource Development of public sector banks in the District are:

(i) to create a climate of openness and trust; (ii) to build a collaborative culture-whereby every one is an important member of an effective team; (iii) to promote human capabilities and competencies in the organization; (iv) to bring about integration of the individual and organizational goals; and (v) to improve quality of life.

To fulfill all the above stated objectives, care is being taken by the public sector banks to implement the important components of the human resource development, viz. (i) a performance appraisal system focussing on the all-round development of individual employees; (ii) a well-defined career path plan; (iii) need-based, effective training system; (iv) organizational development plan aiming at prorating peoples' capabilities for problem-solving and coping with varied situations and anticipating and managing challenges imaginatively and effectively.
To examine the methods adopted by the public sector banks to develop human resources in the study area in detail, the analysis is divided into two sections viz., Section-A and Section-B. Section-A covered aspects pertaining to implementation of various methods of Human Resource Development in respective bank branches from the view point of managers. Section-B covered the implementation of various methods of Human Resource Development viz., performance appraisal, training, promotion policy, transfers, job rotation, job satisfaction and job environment in relation to officers and clerks.

The questionnaire pertaining to managers ascertained the attitude of managers in creating psychological environment, in providing encouragement and training, in rendering co-operation and co-ordination to the subordinates in their banks. More than 70.0 per cent to 90.0 per cent of the managers that it was 'almost always true' and 'mostly true' in creating healthy psychological environment to their subordinates particularly (i) in enjoying their work (ii) in recognizing them as an important part in the job (iii) in acquiring new knowledge and skills by them (iv) in realising their strengths and weaknesses. Which is why the weighted average is more than 3.00 and the standard deviation is nearly 1.00. More than 60.0 per cent to 80.0 per cent of the managers accepted that it was 'almost always true' and 'mostly true' in providing encouragement to their subordinates particularly (i) in helping their subordinates in academic development; (ii) promotion decisions are based on the suitability of the promotee rather than on favouritism; (iii) special care to appreciate good work by the subordinates; (iv) freedom in using new methods and creative ideas on their own; (v) delegation of authority for handling higher responsibilities and (vi) job rotation system to facilitate employee development. Which is why the weighted average is more than 3.00 and the standard is more or less 1.00. More than 70.0 per cent to 80.0 per cent of the managers accepted that it was 'almost always true' and 'mostly true' in selecting subordinates for training particularly on (i) seniority criteria; (ii) giving opportunities to apply what they have learnt during training period; (iii) subordinates are sponsored
for training programmes on the basis of genuine training needs. It was found that the weighted average is more than 3.00 and the standard deviation is more or less 1.00. Besides, more than 45.0 per cent to 75.0 per cent of the managers accepted that it was ‘almost always true’ and ‘mostly true’, in giving co-operation and co-ordination to their subordinates particularly in (i) acquiring competence and help to each other; (ii) if any mistake is committed by subordinates they will treat it with understanding and help them to learn from such mistakes; (iii) very informal and do not hesitate to discuss and share the personal problems of subordinates; (iv) in guiding their subordinates and prepare them for future responsibilities they are likely to take up; (v) make efforts to identify and utilize the potential of the subordinates, as it is evident that the weighted average is more or less 3.00 and the standard deviation is more or less 1.00. More than 45.0 per cent and 75.0 per cent of the managers accepted that it was ‘almost always true’ and ‘mostly true’ in implementing various welfare measures to their subordinates particularly (i) implementation of personnel policies to facilitate their development; (ii) willing to invest a considerable part of their time and other resources to ensure the development of them; (iii) necessary feedback from the subordinates which can be used for development of the institution; and (iv) ensuring welfare of the subordinates can boost their morale and motivate them to work with commitment. Which is why the weighted average is more or less 3.00 and the standard deviation is nearly 1.00.

A questionnaire was administered to the officers and clerks to ascertain their opinion about the various methods of human resource development in their banks, particularly in regard to performance appraisal, training, promotion, transfer, job rotation, job satisfaction and job environment or climate. In regard to the nature and extent of performance appraisal in the public sector banks, more than 60.0 per cent to 90.0 per cent of the officers and clerks accepted that it was ‘to a large extent’ and ‘to a very great extent’ particularly in regard to (i) periodical evaluation; (ii) maintenance of
performance records; (iii) necessary support of the superiors; (iv) manager's interest in the growth of subordinates and (v) effectiveness of review report of performance appraisal. The weighted average ranged between 3.00 and 4.61 and standard deviation ranged between 0.88 and 1.22. More than 68.0 per cent to 82.0 per cent of both the officers and clerks accepted that it was 'to a large extent' and 'to a very great extent' in regard to performance appraisal feedback to the employees particularly in (i) getting feedback from their superiors about their performance; (ii) feedback helps to identify strong/weak areas of performance and (iii) about improved performance discussions are held between managers and subordinates. The weighted average ranged between 3.76 and 4.12 and the standard deviation ranged between 0.88 and 1.28. More than 50.0 per cent and 79.00 per cent of both the officers and clerks accepted that it was 'to a large extent' and 'to a very great extent' employee potential and its development has been taking place particularly in regard to (i) utilization of opportunities for developing employee potentialities; (ii) investing adequate time and resources for development of employees; (iii) providing opportunities for development of human resources. Which is why the weighted average ranged between 3.11 and 4.15 and standard deviation ranged between 0.79 and 1.23.

More than 24.0 per cent to 54.0 per cent of both the officers and clerks accepted the statement that 'performance appraisal as a pre-requisite for promotion policy' 'to a large extent' and 'to a very great extent; particularly with reference to that (i) performance appraisal system for employees which meets the requirements under promotion policy; (ii) promotion to higher cadre linked to work performance; (iii) performance appraisal identifying the developmental needs. The weighted average ranged between 2.98 and 3.39 and the standard deviation ranged between 1.02 and 1.18. Among the various factors which are consider for performance appraisal, the first three ranks were given for 'conduct', 'discipline' and 'quality of work' by the officers; whereas,
the clerks had given first three ranks to 'rationale of work procedures', 'speed in work' and 'dealing with customers'.

Training and development encompasses activities ranging from the acquisition of a simple mechanical skill to a complex administrative skill. Through orientation programmes, the organization has to mould and build up favourable attitude in the employees towards the organization and its goals. Except in methodology, reading materials more than 32.0 per cent to 71.0 per cent of officers accepted that it was 'good' and 'very good' particularly in course design and duration, residential accommodation, catering facilities, classroom environment, library facilities, and recreational facility; whereas, more than 25.0 per cent to 70.0 per cent of clerks accepted that reading material was 'good' and 'very good' in all aspects pertaining to training. Hence, the weighted average was nearer to 2.00 or more than 2.00; whereas, the standard deviation is nearly 1.00 in both the cases.

In getting various benefits, the first three ranks were given to (i) improved skills and self-confidence; (ii) improved inter-personal relations; and (iii) improved ability in rendering bank services to customers by officers; whereas, clerks gave first three ranks to (i) improved skills and self-confidence; (ii) improved prospects for promotion; and (iii) improved ability to appraise the performance of branch staff. Nearly 88.0 per cent of officers and 85.0 per cent of clerks opined that the training as imparted was easier, interesting and challenging.

Performance-linked promotion can keep the employees motivated for superior performance. Promotion helps the organizations to place experienced people in top positions. Criteria for the promotion of both officers and clerks, based on various parameters. More than 90.0 per cent of officers and clerks accepted that it was 'to a large extent' and 'to a very great extent' the statements pertaining to promotion in the public sector banks viz., (i) promotion are in accordance with the performance of the job; (ii) fast track
promotion to keep them motivated; (iii) employee potential is properly evaluated; (iv) promotion policy is effective in encouraging career promotion; (v) promotion provides better service condition to the employees; and (vi) opportunities to work in challenging assignments. It is corroborated by the weighted average which ranged between 2.00 and 3.00 and the standard deviation is nearly 1.00 in the both cases.

More than 65.0 per cent of officers and clerks accepted ‘fully’ and ‘partly agree’ to the statement pertaining to transfer policies of public sector banks especially (i) inter-branch transfer at the end of every two or four years; (ii) shift the responsibilities entrusted after every three or four years; (iii) re-transfer of an employee to the place of his/her own choice after every four to five years; (iv) acquaint the employees with the knowledge of loans and advances department; (v) need to have a uniform transfer policy. The weighted average ranged between 2.00 and 3.00 and the standard deviation ranged between 0.84 and 1.10. Nearly 68.0 per cent of officers and 69.0 per cent of clerks opined on criteria for transfer shall be seniority based and need-based. About inter-branch transfers, 63.4 per cent of officers, and 41.0 per cent of clerks opined that it was more helpful to staff; whereas, 61.0 per cent of officers and 63.5 per cent of clerks opined that it was more helpful to the bank business; and 65.9 per cent of officers, 65.4 per cent of clerks opined that it was more helpful for better customer services.

In banking industry, job rotation is a far significant measure to move people to different departments at periodical intervals so that no employee develops vested interest with maleficent intention. About the views of employees on ‘job rotation’ 61.0 per cent of officers, 39.7 per cent of clerks stated that before changing the work activity, it was necessary that the managers have to discuss with all the staff members, 56.1 per cent of officers and 55.1 per cent of clerks wanted only the staff members concerned should be consulted, 29.3 per cent of officers and 35.3 per cent of clerks stated that secretary of the union should be consulted and 34.1 per cent of officers and
30.1 per cent of clerks are expressed that no discussion at all was necessary. In regard to duration of job rotation, 39.0 per cent of officers and 39.7 per cent of clerks wanted it to be less than one year.

In respect of the levels of 'job satisfaction', as indicated by the bank employees, it was found that 65.9 per cent of officers and 73.7 per cent of clerks were 'extremely satisfied'. The span of time the bank employees experienced job satisfaction was ascertained and the impressions of the employees were that 43.9 per cent of officers and 51.9 per cent of clerks are expressed that it was 'good deal of time'.

'Organizational climate' has been a popular concept in theory and research and has received a great deal of attention. If human resource development activities have to be successful, the job environment has got to be pro-active so as to enable people to learn and contribute their best to the organization. The opinion of the bank employees on various aspects of the job environment was elicited 80.5 per cent of officers, and 60.3 per cent of clerks stated that job provided to them was challenging and responsible; 87.8 per cent of officers and 64.7 per cent of clerks expressed positively that the job provided a sense of achievement and fulfillment; 78.0 per cent of officers and 75.0 per cent of clerks expressed positively that the job provided congenial and elevated status; and 75.6 per cent of officers and 69.9 per cent of clerks stated that the job provided scope for supervision and helped improve the inter-personal relationship.

Hence, the null hypothesis that 'the methods adopted by the public sector banks to develop human resources are not adequate' stands rejected.

In a service industry like banking, human resources plays a pivotal role in the growth of business as well as in building a good public image of the branches of the banks. The same human resources can also be instrumental in losing the business and in getting a bad name in the public eye for bad services
rendered in some of the branches of the banks. More than the building where
the branches are housed it is the quality of service the bank staff are render, the
big welcome and the courtesy they show to the customers that plays a pivotal
role. The improved quality of services of employees in the banking sector,
particularly in public sector banks, is due to performance appraisal, training
methods, promotional policy, judicious transfers, job rotation, job satisfaction
and job environment. To assess the impact of human resource development on
the productivity of the public sector banks, two major ratio analyses i.e., branch
ratio and employee ratio have been taken into account. They are viz.,

i. Per branch and per employee deposits;

ii. Per branch and per employee advances;

iii. Per branch and per employee income;

iv. Per branch and per employee expenditure;

v. Per branch and per employee profit;

vi. Per branch and per employee total priority sector advances;

vii. Per branch and per employee agricultural advances;

viii. Per branch and per employee small-scale industrial advances;

ix. Per branch and per employee small road and water transport
operators advances;

x. Per branch and per employee retail trade advances;

xi. Per branch and per employee small business advances;

xii. Per branch and per employee professional and
self-employment advances;

xiii. Per branch and per employee educational advances;

xiv. Per branch and per employee housing loans; and

xv. Per branch and per employee self-help group loans.
An increase in the number of bank branches by 1.4 times had led to an increase employees of public sector banks in Chittoor district by 1.3 times. Even though the linear growth rate curve of bank branches slightly lies below to that of linear growth rate curve of bank employees, two variables i.e., bank branches and employees are positively correlated to each other at 0.9 and are significant both at 0.05 (2.10) per cent and 0.01 (2.88) per cent level as calculated ‘t’ value is higher which accounted for 8.512. An increase in per branch deposits by 11.8 times had led to an increase of 9.0 times of advances; whereas, an increase of 13.1 times of per employee deposits had led to an increase of 10.0 times of advances. The linear growth rate curve of per branch and per employee advances lies below to that of linear growth rate curve of per branch and per employee deposits. These two variables viz., per branch deposits and advance, and per employee deposits and advances are positively correlated to each other at 0.9 and is significant both at 0.05 (2.10) per cent and 0.01 (2.88) per cent level as calculated ‘t’ value is high which accounted for 8.512. An increase in per branch income by 8.8 times had led to an increase of 7.3 times of expenditure and 14.4 times of profit; whereas, an increase of 9.7 times of per employee income had led to an increase of 8.1 times of expenditure and 15.9 times of profit. The linear growth rate curve of per branch and per employee profit lies above that of linear growth rate curves of per branch and per employee income and expenditure. Hence the co-efficient of correlation between the indices of per branch and per employee income and expenditure, income and profit, and expenditure and profit is 0.9 and is significant both at 0.05 (2.10) per cent and 0.01 (2.88) per cent level respectively. And the calculated ‘t’ value is high which accounted for 8.512.

Per branch total priority sector advances had increased by 12.9 times; whereas, per employee total priority sector advances had increased by 14.2 times. Hence the linear growth rate curve of per employee total priority sector advances lies above to that of the linear growth rate curve of per branch total
priority sector advances. But the indices of per branch and per employee total advances and advances to the priority sector are positively correlated to each other at 0.9 and is significant both at 0.05 (2.10) per cent and 0.01 (2.88) per cent level respectively. And the calculated ‘t’ value is high which accounted for 8.512. The per branch and per employee advances to agricultural sector had increased by 14.3 times and 13.0 times during 1990 to 2008 in the study district. The per employee linear growth rate curve of agricultural sector advances lies below to that of per branch linear growth rate curve agricultural sector are positively correlated to each other at 0.9 and the co-efficient of correlation is significant both at 0.05 (2.10) per cent and 0.01 (2.88) per cent level as calculated ‘t’ value is high which accounted for 8.512. Even though the percentage share of small scale industries in total priority sector advances had declined, the total small-scale industrial advances of it had 4.9 times. Per branch and per employee small-scale industrial sector advances by 5.7 times and 3.8 times.

Even though the growth rate curve of per employee small-scale industrial sector advances ties below to that of linear growth rate curve of per branch small-scale industrial sector advances, the Indices of per branch and per employee total advances and advances to small-scale industrial sector are positively correlated at 0.9 and the co-efficient of correlation is significant both at 0.05 (2.10) per cent and 0.01 (2.88) per cent level as calculated ‘t’ value is high which accounted for 8.512.

The total public sector banks advances to the small road water transport operators had also increased by 7.6 times, even though its percentage share in total priority sector advances had declined. Correspondingly, the per branch and per employee advances to this sector had increased by 14.2 times and 5.9 times respectively. Hence the linear growth rate curve of per employee small road and water transport operators sector advances lies below to that of linear growth rate curve of per branch small road and water transport operators sector. But the co-efficient of correlation between the indices of per branch total
priority sector advances and small road and water transport operators sector is 0.7; whereas, it was 0.8 in the case of per employee total priority sector advances and small road and water transport operators sector. The co-efficient of correlation is significant both at 0.05 (2.10) per cent and 0.01 (2.88) per cent level as calculated ‘t’ value is high which accounted for 4.041 and 5.497. The total advances of public sector banks to retail trade had increased by 12.9 times in the district, even though the percentage share of it declined in total priority sector advances. The per branch and per employee advances are also increased by 31.3 times and 10.0 times. Hence the linear growth rate curve of per employee retail trade advances lies below to that of linear growth rate curve of per branch retail trade advances. But in both the cases i.e., per branch and per employee, the indices of total priority sector advances and total advances to retail trade are positively correlated to each other at 0.7 and the co-efficient of correlation is significant both at 0.05 (2.10) per cent and 0.01 (2.88) per cent level as calculated ‘t’ value is high which accounted for 4.041. The total advances by public sector banks to small business had increased by 4.2 times but the percentage share of it in total priority sector advances had declined. Correspondingly, the per branch and per employee advances to small business had increased by 28.7 times and 3.3 times. Hence the linear growth rate curve of per employee small business advances lies below to that of linear growth rate curve of per branch small business advance. But in both the cases i.e per branch and per employee, the indices of total priority sector advances and small business advances are positively correlated to each other at 0.9 and the co-efficient of correlation is significant both at 0.05 (2.10) per cent and 0.01 (2.88) per cent level as calculated ‘t’ value is high which accounted for 8.512. The public sector banks total advances to professional and self-employment had increased by 6.1 times. But the percentage share of it in total priority sector advances had declined tremendously. The per branch and per employee advances to professional and self-employment had also increased by 21.1 times and by 4.8 times. Hence the linear growth rate curve of per employee professional and self-employment advances lies below to that of
linear growth rate curve of per branch professional and self-employment advances. But in the both the cases i.e per branch and per employee, the indices of total priority sector advances and indices of total advances to professional and self-employment are positively correlated at 0.8 and 0.9 respectively. And the co-efficient of correlation is significant both at 0.05 (2.10) per cent and 0.01 (2.88) per cent level as calculated ‘t’ value is high which accounted for 5.497 and 8.512.

Advances made by the public sector banks for education purpose had increased by 217.7 times. The percentage share of it in total priority sector advances also increased. Correspondingly, the per branch and per employee advances for education purpose had also increased by 248.3 times and 179.3 times. Hence, the linear growth rate curve of per employee educational advances lies below to that of linear growth rate curve of per branch educational advances. But the co-efficient of correlation between the indices of per branch and per employee total priority sector advances and advances for education purpose are positively at 0.8 and 0.7 and is significant both at 0.05 (2.10) per cent and 0.01 (2.88) per cent level as calculated ‘t’ values are high which accounted for 5.497 and 4.041. The public sector banks’ total advances for housing increased by 112.6 times along with the percentage share of it in total priority sector advances. The per branch and per employee advances for housing had increased by 63387.5 times and 932.3 times. Hence, the linear growth rate curve of per employee housing loans lies below to that of linear growth rate curve of per branch housing loans. The co-efficient of correlation between the indices of per branch and per employee total priority sector advances and advances for housing are positively at 0.7 and 0.6 and is significant both at 0.05 (2.10) per cent and 0.01 (2.88) per cent level as the calculated ‘t’ values are high which accounted for 4.041 and 3.092.

Since 1995, only the public sector banks have started financing to ‘self-help groups’ and it increased by 111.0 times. But the percentage share of it in the total priority sector advances had increased tremendously. The per
branch and per employee advances to 'self-help groups' had also increased by 138.3 times and by 92.8 times. Hence, the linear growth rate curve of per employee advances to 'self-help groups' loans lies below to the linear growth rate curve of per branch 'self-help groups' loans. But in both the cases i.e. per branch and per employee, the indices of total priority sector advances and indices of total advances to 'self-help groups' advances are positively correlated at 0.9 and are significant both at 0.05 (2.16) per cent and 0.01 (3.01) per cent level as calculated 't' value is high which accounted for 8.512.

**Hence, the null hypothesis that 'the impact of human resource development on productivity of public sector banks is not significant' stands rejected.**

In the light of the findings of the study, the following major conclusions are drawn. After nationalisation of major commercial banks, the public sector banks have planned their branch expansion programmes in such a manner as to provide well-supported infrastructure of bank credit by mobilizing financial resources (deposits) and developing human resources in the economy with a view to provide more banking facilities to all people in the country. Owing to this change in public sector banking system, the following significant results are noticed.

1. a) The average percentage growth rate of public sector banks is higher than that of the private sector banks.

   b) An increase in the number of offices of the public sector banks had increased the quantum of deposits which, in turn, resulted in a higher level of credit deployment.

   c) The increase in the number of offices of the public sector banks had increased the number of human resources.
II. a) The attitude of the managers, particularly in creating conducive psychological environment for providing encouragement and training in forging co-operation and co-ordination among their subordinates is good.

b) The 'performance appraisal' system for officers and clerks is essentially focusing on their personal and academic growth.

c) Both officers and clerks are highly satisfied with their existing training facilities for their progress.

d) In getting promotions, both officers and clerks are content with the existing 'seniority-cum-merit based' system.

e) Majority of officers and clerks are accept the prevailing transfer system but demand a uniform transfer policy based on seniority and need.

f) The public sector bank employees are in favor of 'job rotation'; but, before changing the work activity, they are opined that the managers have to discuss with them and the duration of rotation must be less than one year.

g) Majority of the employees are very much content with the organizational climate and job environment.

III. a) An increase of per branch deposits and credit had led to an increase in per employee deposits and credit.

b) An increase of per branch income, expenditure, and profit had led to an increase in per employee income, expenditure and profit.

c) An increase of per branch priority sector advances had led to an increase of per employee priority sector advances.

d) An increase of per branch advances to various priority sectors (viz., agriculture sector, small scale industrial sector, small road and water transport operators sector, retail trade, small business, professional and
self-employment, education, housing and self-help groups had led to an increase of per employee advances to them.

e) On the whole, the impact of human resource development on the productivity of public sector banks is significant.

The present empirical micro-level study has clearly brought out the need for some suggestions in the light of the findings and conclusions for fulfilling the rational objective of development of human resources particularly in the public sector banks so as to accelerate the pace of economic development. The following measures are suggested for the development of human resources in the public sector banks.

I. The banks must consider dispensing with the concept of final reviewing authority; instead, it should be reviewed by immediate superior only. Discussions pertaining to the performance appraisal may be held between the manager and the employee so that the employee would know the week areas of performance and try to correct them and perform well.

II. The institutional training should provide effective skills to the employees. Employees should be motivated to effectively utilize the resource material and libraries so that ‘competency gap’ would be closed.

III. The bank must, consider executing proper monitoring system so that staff members are allowed to work in the subjects/functions in which they receive class-room training.

IV. Further, the bank must also consider placing the trained employees in the branches under the guidance of trained staff members or superiors so that they can put their trained skills to effective use.
V. The bank may initiate measures to encourage employees to share their expertise with others. From the trainee point of view, the bank must create awareness that learning is of paramount value and employees should not hesitate to learn from any source.

VI. The bank must consider introducing more programmes on behavioural aspects like leadership development, personal growth and inter-personal effectiveness etc.

VII. 'On-the-job training' should be given more importance for effective learning.

VIII. The 'job rotation' should be linked to career progression initiatives like promotions to higher cadre or for assigning special allowance duties so that the strain associated with 'job rotation' are compensated appropriately.

IX. The employee potential should be evaluated based on objective assessment but not on favouritism. Besides, the performance of the employee should be directly linked to the promotion. Transparency in evaluation and promotion policy must be strictly ensured.

X. Instead of transferring several officers from one place to another at every three-year interval, the bank must consider holding special drives for recruitment or promotion exclusively for such deficient zones. Then only the sense of harassment attached to fragment transfers is not harbored in the minds of the employees and they should be convinced of the rationale behind the transfers.

It is in this context the 'human resource development' in banking sector has been undertaken so that an appropriate strategy is worked out for more effective process of socio-economic upliftment of the entire economy. All this is possible if the bank personnel are able to enhance their in-built capacities and capabilities and good inter-personal relationship is maintained in the bank with an atmosphere of confidence created. The present study of human
resource development in the public sector banks in the District of Chittoor has brought into light certain deficiencies in the implementation of the various methods of human resource development. As such the findings and suggestions of this study, it is hoped would provide certain guidelines for the formulation of effective methods, in future, for developing human resources in banking sector at the district level not only in the study area but also in other parts of the country.